



Dear Health Care Provider:

Will your claims be paid after HIPAA's October 16th transactions and code sets compliance deadline? Will your cash flow continue uninterrupted?

The Health Insurance Portability and Accountability Act (HIPAA) is more than a privacy law; it touches many aspects of health care, including the bills you submit to all health insurers, not just Medicare. Effective October 16, 2003, all electronic transactions covered by HIPAA must comply with these transactions and code sets standards for format and content.

There are several things you should be doing to be sure your claims will be paid: (1) ensure that your own processes are compliant, and (2) test your systems with your business partners. Make sure you are able to send and receive HIPAA-compliant electronic transactions with your payers.

If your claims are not in the standardized form, you will need to take action now. CMS stands ready to help you through this transition. The CMS web site, www.cms.hhs.gov/hipaa/hipaa2, has a wealth of information on HIPAA and compliance. For example, it contains an informational series on HIPAA's electronic transactions and code sets provisions, announcements of CMS-sponsored Roundtables and Conferences on HIPAA-related subjects, as well as links to useful resources.

If by October 16, 2003, you will not be able to submit compliant claims, or if you have not been able to test with all the plans with which you do business, you need to check with them concerning their contingency plans. Some payers may only accept HIPAA-compliant claims, while others may be willing to accept non-compliant transactions claims while you make the necessary changes. A compliant plan, with the appropriate systems in place, is within its legal rights not to implement a contingency plan and accept only HIPAA compliant electronic transactions. We are encouraging health plans to work with their provider networks to determine their state of readiness, and work toward compliance.

We have been working hard to implement these changes that will improve the health care system by streamlining claims processing. With time growing short, it is important to test as early as possible to avoid any last-minute delays in payments.

Thomas A. Scully
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